

Chapter 2 Guiding Principles

In pursuing economic and social development during the 14th Five-Year Plan period, we must grasp the following guiding thought, principles, and strategic guidance.

Section 1 Guiding Thought

We will hold high the banner of socialism with Chinese characteristics and thoroughly implement the guiding principles from the 19th CPC National Congress and the second through fifth plenary sessions of 19th CPC Central Committee. We will follow the guidance of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Theory of Three Represents, the Scientific Outlook on Development, and Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We will fully implement the Party's basic theory, line, and policy, coordinate progress in the economic, political, cultural, social, and ecological spheres, and advance the strategy of making comprehensive moves to build a modern socialist country, further reform, promote law-based governance, and strengthen self-governance of the Party. We will firmly act on the new development philosophy to promote innovative, coordinated, green, open, and shared development. We will continue to follow the general principle of pursuing progress while ensuring stability. We will take promoting high-quality development the primary goal, deepening supply-side structural reform the main task, reform and innovation the fundamental driving force, and

meeting the people's growing needs for a better life the ultimate objective of our work. We will both pursue development and ensure security, work faster to modernize the economic system, and accelerate the creation of a new pattern of development that focuses on domestic economic flows and features positive interplay between domestic and international flows. We will work to modernize China's system and capacity for governance and ensure long-term stability in the economy and stability and harmony in society. All of this will set the stage for building a modern socialist country in all respects.

Section 2

Principles That Must Be Followed

- *Exercising the Party's overall leadership*

We will uphold and improve the systems and mechanisms for exercising Party leadership over economic and social development, uphold and improve the system of socialism with Chinese characteristics, and improve our ability to apply the new development philosophy and create a new pattern of development. This will enable us to achieve high-quality development.

- *Persisting with a people-centered approach*

We will uphold the principal position of the people in our country, stay committed to achieving common prosperity, and always work for development that is for the people and relies on the people, and whose benefits are enjoyed by the people. We will safeguard the people's fundamental interests and inspire the enthusiasm, initiative, and creativity of all the people. We will promote social fairness, enhance public wellbeing, and continually work to help people realize their aspirations for a better life.

- *Applying the new development philosophy*

We will fully and faithfully apply the new development philosophy

throughout the entire process and in all aspects of development to give shape to a new pattern of development and complete the transformation of China's growth model toward higher quality, stronger efficiency, and more dynamic growth drivers. These efforts will enable us to achieve higher-quality development that is more efficient, equitable, sustainable, and secure.

- *Continuing to further reform and opening up*

We will unswervingly advance reform and opening up. By modernizing China's system and capacity for governance, we will remove institutional barriers to high-quality development and high standards of living. We will step up major reform and opening up initiatives to help achieve more efficient allocation of resources and keep all sectors motivated. These steps will help to continuously generate new momentum for development and make development more dynamic.

- *Continuing to apply systems thinking*

We will conduct more forward-looking, comprehensive, and strategic planning in order to make advances on all fronts. We will give full consideration to our domestic and international imperatives, promote development and security, and coordinate national efforts. We will give play to the initiative of the central and local authorities and all other stakeholders, while working to consolidate our foundations, harness our strengths, and reinforce areas of weakness. We will forestall and mitigate major risks, address major challenges, and ensure balance between the quality, structure, scale, speed, performance, and security of our development.

Section 3 Strategic Guidance

To promote high-quality development during the 14th Five-Year Plan period, we must root ourselves in the new stage of development, apply the new development philosophy and create a new pattern of development.

By understanding this development stage, we will have a realistic basis for implementing the new development philosophy and fostering a new pattern of development. By acting on the new development philosophy, we will provide a guide for understanding the new development stage and creating a new development pattern. By creating a new pattern of development, meanwhile, we are making a strategic choice to respond to the opportunities and challenges of the new stage of development and to implement the new development philosophy. We must intensify supply-side structural reform, so that high-quality, innovation-driven supply will lead and create new demand and the supply system will become more resilient and better adapted to domestic demand. We need to establish effective mechanisms for expanding domestic demand, accelerate the development of a complete domestic demand system, and reinforce demand-side management to build a strong domestic market. We must remain committed to advancing reform, remove institutional barriers that hinder economic flows, promote the flows of production factors, and link production, distribution, circulation, and consumption in a more coordinated way. We must be steadfast in expanding opening up, continue to deepen opening up based on flows of factors of production, and steadily expand institutional openness. We should leverage the flows of the domestic economy to create a stronger gravitational pull for global production factors and resources. We will strengthen the guiding role of domestic economic flow and improve its efficiency and quality using the flows of the international economy, thereby ensuring positive interplay between domestic and international flows.